

# REMACOR, INC

## INVENTORY AS OF AUGUST 11, 2005

INVENTORY LOST IN FIRE IN BLDG NO. 3 ON AUGUST 6, 2005

RM CODE	RAW MATERIAL DESCRIPTION	LBS	\$ / LB	COST
✓1	BCI DRY SECONDARY MG TUNINGS	0	\$0.423	\$ -
✓2	AMACOR MG FLASHINGS	36,000	\$0.350	12,600
✓3	METAL EXCHANGE DRY MG TURNINGS	0	\$0.450	0
✓4	METAL EXCHANGE BRIQUETTED MG FINES	0	\$0.450	0
✓5	METAL EXCHANGE GRIN. MG TURNINGS	0	\$0.450	0
✓6	TIMMINCO MG TURNINGS	0	\$0.200	0
✓7	MEL DRY MG TURNINGS	0	\$0.260	0
✓8	MEL WET MG TURNINGS	0	\$0.140	0
✓9	HITCHCOCK DRY TURNINGS	0	\$0.250	0
✓10	MAGTRADE FLASHINGS	130,000	\$0.230	29,900
✓11	POST CONSUMER SCRAP ( PCS )	30,500	\$0.350	10,675
✓12	OILY MG TURNINGS	0	\$0.026	0
✓13	READE MISC MG SCRAP	14,500	\$0.110	1,595
✓14	OMS <del>80 X DOWN</del> 1/4	169,000	\$0.235	39,715
✓15	CLASS B SOLIDS	30,000	\$0.100	3,000
✓16	CLASS A SOLIDS	10,000	\$0.300	3,000
✓17	OMS 1/4 X 10M	122,000	\$0.300	36,600
✓18	OMS 10M X 60M	95,000	\$0.300	28,500
✓19	RETURN FROM TARGET	0	\$0.550	0
✓20	MERIDIAN - STRATHROY	76,580	\$0.000	0
✓21	MERIDIAN - EATON RAPIDS	89,080	\$0.000	0
✓22	SPARTAN - MEXICO, MO - OMS	19,000	\$0.074	1,406
✓23	PAINTED SCRAP	0	\$0.200	0
✓24	CHICAGO WHITE METAL - CHICAGO	0	\$0.388	0
✓25	CENTRAL MACHINERY	35,000	\$0.075	2,625
✓26	REMAG FLASHINGS	20,000	\$0.128	2,560
✓27	WORLD METAL FLASHINGS	0	\$0.180	0

Sheet I (3)

GRAND TOTALS RAW MATERIALS	876,660	\$ 172,176
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REMACOR, INC

INVENTORY AS OF AUGUST 11, 2005

FG CODE	FINISHED GOODS DESCRIPTION	LBS	\$ / LB	COST
1	SMG 88 ESM	0	\$0.550	\$ -
2	SMG 88 - ROSSBOROUGH	0	\$0.550	0
3	SMG 88 - ALMAMET	38,000	\$0.550	20,900
4	SMG 88 READE	42,500	\$0.550	23,375
5	OTHER (-70M)	86,000	\$0.550	47,300
6		0	\$0.550	0
7	MISCHALLOY FLINT	0	\$5.000	0
8	MISCHALLOY MISC.	0	\$3.000	0
GRAND TOTALS FINISHED GOODS		166,500		\$ 91,575

SS CODE	SHOP SUPPLIES DESCRIPTION	UNITS	\$ / UNIT	COST
CS	CAUSTIC SODA	0	0.190	\$ -
NP	SURFACTANT NP 9.5	0	0.810	0
SS	SODIUM SILICATE	0	0.220	0
SX	SODIUM XYLENE SULFONATE	0	0.330	0
PRO	PROPANE	0	1.390	0
FO	FUEL OIL	0	1.800	0
DBS	DUMP BOTTOM SUPERSACKS 35x43x58	116	12.950	1,502
50GD	50 GALLON DRUMS WITH LIDS	1,120	18.000	20,160
PAU	PALLETS - UN	232	12.000	2,784
PAR	PALLETS - REGULAR	160	5.000	800
SSHM	SPARE SCREENS FOR LARGE HM	0	100.000	0
SSP	SPARE SCREENS FOR PULA'S	0	90.000	0
SSHM	SPARE SCREENS FOR LARGE HM	0	1000.000	0
GRAND TOTALS SHOP SUPPLIES				\$ 25,246

TOTAL INVENTORY COST				\$ 288,997
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## INVENTORY VALUATION – JUNE, 2005

Exhibit

### 1. BCI Dry Secondary Turnings

a) Price FOB Niagara Falls	-	\$0.400	
b) Freight – Blaze \$800/34,000 Lbs	-	<u>0.023</u>	
Cost Delivered	-	<u>\$0.423</u>	1

### 2. Amacor Flashings

a) Price FOB Anderson, IN	-	\$0.320	
b) Freight – Blaze \$1500/35,000 Lbs	-	<u>0.043</u>	
Cost Delivered	-	<u>\$0.363</u>	2

### 3, 4 & 5. Metal Exchange Turnings

a) Price Delivered	-	<u>\$0.450</u>	3
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### 6. Timminco Mg Turnings

a) Priced Delivered	-	<u>\$0.200</u>	5
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### 7. MEL Dry Mg Turnings

a) Dry Mg Turnings FOB St. Louis	-	\$0.200	
b) Freight – Blaze \$1744/33,000	-	0.053	
c) Unloading Labor – 2 Men - 2 Hrs 2 x \$13.50/33,000	-	0.001	
d) Pallets: 800 Lbs/pallet @ \$4.80 $\frac{33,000}{800} \times \$4.80 = \$198.00/33,000 \text{ Lbs}$	-	<u>0.006</u>	
Cost Delivered	-	<u>\$0.260</u>	

### 8. MEL Wet Mg Turnings

a) Wet Mg Turnings FOB St. Louis	-	\$0.080	
b) Freight, unloading & pallets	-	<u>0.060</u>	
Cost Delivered	-	<u>\$0.140</u>	5

**9. Hitchcock Dry Turnings**

a) Dry Mg Turnings – Verbal Quote 4/14/04 of \$0.25/lb Delivered	-	<u>\$0.250</u>	
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**10. Magtrade Flashings**

a) Price CIF Baltimore	-	\$0.200	
b) Harbor Maintenance Fee, Container Charge & Misc. Taxes ~\$350/40,000	-	0.009	
c) Inland Freight to West Pittsburg \$840/40,000	-	<u>0.021</u>	
Cost Delivered	-	\$0.230	6

**11. Post Consumer Scrap from Meridian**

a) PCS - + 1/4" Screened from Meridian-Strathroy Price \$0.10/lb Freight \$1050 Delivered W. Pittsburg 50% Waste			
b) 40,000 Lbs @ \$0.10/lb	-	\$4,000	7
Freight – Early Transport	-	<u>1,050</u>	8
		\$5050	
@ 50% Recovery	-	\$0.126	
	-	0.253	
c) Landfill of 50% @ \$75.00/Ton $\frac{40,000 \times .50 \times \$75.00}{2,000} = 750$	-	0.035	
d) Screening Cost@ 1,000 Lbs/Hr $\frac{1 \text{ man} \times \$13.50/\text{hr} \times 40 \text{ hrs}}{20,000 \text{ Lbs}}$	-	0.027	
e) Processing +4" OMS to Collect PCS 2 men x \$13.50/hr x 770 lbs/hr	-	<u>0.035</u>	
Cost Delivered	-	<u>\$0.350</u>	

**12. Oily Mg Turnings (Contech)**

a) 20,000 Lbs/Truckload	-		9
Freight to W. Pittsburg – Blaze \$1200	-		10
Cost Delivered	-	<u>\$0.060</u>	

**13. Reade Misc. Scrap**

a) Price Delivered \$2146 - 26,154 lbs	-	\$0.082	
b) Sorting & production preparation required: 54 Manhours @ \$13.50/hr \$13.50 x 54/26,154	-	<u>0.028</u>	
Cost Delivered	-	<u>\$0.110</u>	- 11

**15. OMS – Class B Solids**

a) PTI V-Blocks PTI Dross 20,085 Lbs @ \$0.10	= (2,008)	-	12
b) Labor in Processing and Packaging: Labor – 287 MH per x \$13.50	= 3,875		
• Packaging			
• Tote Boxes @ \$5.00/2000	= 50	-	13
• Pallets @ \$5.00/2000	= 50	-	14
20,085 Lbs	= \$1,967		
Cost Delivered	-	<u>\$0.010</u>	

**16. Class A Solids (OMS) (Cost Calculation Same as 18)****14. OMS +1/4 (Shown on Inventory Report as 80 x Down)****17. OMS 1/4 X 10M (Cost Calculation Same as 18)****18. OMS 10M x 60M (Cost Calculation Same as 18)**

a) Total OMS Received Per Month 256,000 Lbs @ \$5,021 delivered			
b) @ 50% Recovery	-	\$0.039	
c) Landfill of 50% @ \$75/ton $\frac{256,000}{2,000} \times .5 \times 75 = \$4800$	-	0.038	

d) Processing Costs @ OMS:

• 6 Men x \$13.50/Hr x 173 hrs	=	\$14,013	
• Power: 2-100 HP Motors 24 hrs, 20 days	=	4,655	
• Maintenance 133 hrs @ \$14.50/hr	=	1,928	
• Wastewater Disposal 16,600 gals/month @ \$0.18/gal	=	2,988	
• FSOH Distribution 21,252 x 6/26	=	<u>4,905</u>	
Total OMS Processing	=	\$28,489	
@ 128,000 Lbs Production	-		<u>0.223</u>
Cost Delivered	-		<u>\$0.300</u>

**19. Return from Target**

- a) Material Returned to Class B and Class A at Inventory Cost

**20. Meridian – Strathroy (OMS)**

- a) Agreement reached with Meridian that they will deliver this material at no charge.

**21. Meridian – Eaton Rapids (OMS)**

- a) Agreement reached with Meridian that they will deliver this material at no charge.

**22. Spartan – Mexico, MO OMS**

- a) Material - 22,864 Lbs (OMS)  
b) Freight - \$2200

Note: Total weight on truck was:

OMS – 22,864  
SMT – 10,577  
33,441

We pick up SMT as a favor and do not charge.  
Our only interest is the OMS. Therefore, cost  
of the OMS material is \$0.096.

Cost Delivered - \$0.096

**23. Painted Scrap (PTI)**

- a) We pay PTI \$0.20/lb Delivered

Cost Delivered	-	<u>\$0.200</u>	-	16
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**24. Chicago White Metal – Scrap**

- a) CWM quoted \$0.388/lb delivered for oily Mg scrap. To date, we have not purchased any material.

**25. Central Machinery – Ontario**

- a) Price - \$0.05 FOB York, Ont.  
 $39,726 \times 0.05 = \$1,987$

- b) Freight to W. Pittsburg = 1,105  
\$3,092

Cost Delivered	-	<u>\$0.078</u>	-	17
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**26. Remag Flashings (Baldwin Industrial)**

- a) Price - \$0.075 FOB Alabama  
 $30,719 \times \$0.075 = \$2,304$

- b) Freight from Alabama = 1,628  
\$3,932

Cost Delivered	-	<u>\$0.128</u>	-	18
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**27. World Metals Flashings**

- a) Quoted material delivered @ \$0.18/lb.  
We have never purchased.

## **COMMENTS ON INVENTORY**

### **VALUE AT \$0.55 FOR FINISHED GOODS**

Our production operation from January through May was staffed and geared for the production of six (6) trucks per month of SMG88. We had the sales but operational problems persisted as we attempted to develop the OMS operation. Six trucks would have resulted in a direct cost of sales for SMG88 of \$0.55 per pound. As you all know, we never achieved that level of production and were forced to shut down the OMS operation and switch exclusively to Amacor flashings.

As you can see from the attached Monthly Forecasts, five, four and three trucks per month result in a cost of goods figure of \$0.662, \$0.833 and \$1.121, respectively. See attached Monthly Forecasts.

Therefore, it was decided to keep the finished goods inventory at the lower cost of \$0.55 rather than inflate the inventory value because of production problems that reduced the amount of SMG88 actually produced each month.



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Joseph R. Jackman



# REMACOR INCOME FORECAST

JUNE 2005 FINISHED GOODS VALUATION AT PRODUCTION FORECAST 6 TRUCKS

	MONTHLY FORECAST	COST / LB MAT.	TOTAL COST	TOTAL \$/LB MAT
RAW MATERIALS				
MAGTRADE OMS PRIME	0	\$0.230	\$0	
ARINCO	0	\$0.910	0	
SPARTAN OMS PRIME	0	\$0.379	0	
LUNT	0	\$0.350	0	
AMACOR	70,000	\$0.363	25,410	
SMT PRODUCTION	196,264	\$0.029	5,692	
TOTAL LBS MAT REQUIRED	266,264		\$31,102	\$0.120
LBS MG GRANULES SOLD	259,000	--- (Almamet + Ross + Hart )		

## TOTAL SALES

		Customer	SP	Lbs Sold	lbs	Sales
SELLING PRICE PER LB MATERIAL	\$0.622	Almamet	0.610	220,000	5	134,200
DIRECT COST PER LB MATERIAL	\$0.550	Ross	0.750	-	0	0
		Briquettes	0.250	80,000	2	20,000
		Amacor A	0.750	5,000	0	3,750
		Amacor B	0.300	20,000	1	6,000
		ESM	0.700	0	-	-
		Hart	0.480	39,000	1	18,720
REVENUES		TOTALS		364,000	9	\$182,670
SALES	\$ 182,670					
OTHER INCOME	\$43,800					
TOTAL REVENUES	\$ 226,470					

## COST OF SALES

RAW MATERIALS	\$31,102
DIRECT LABOR - SMT	14,117
DIRECT LABOR - OMS	9,411
DIRECT LABOR - SCREENING	4,706
DIRECT LABOR - GRINDING	7,058
DIRECT LABOR - GENERAL	9,411
VACATION PAY	2,353
MAINTENANCE LABOR	11,487
BRIQUETTING LABOR	0
OTHER BRIQ. EXPENSE @ \$0.0476 / LB	0
WATER BILL	1,500
DETERGENT	3,600
GASOLINE & FUEL OIL	3,000
REPAIR PARTS	4,000
ARGON & NITROGEN	4,000
SHOP SUPPLIES	3,000
POWER BILL	16,000
WASTE WATER DISPOSAL	8,000
OTHER	5,000
WASTE DISPOSAL	2,500
PACKAGING	2,130
TOTAL COST OF SALES	\$ 142,375
FIXED SHOP OVERHEAD	21,252
GENERAL & ADMINISTRATIVE	45,855
TOTAL COST	209,482

## Hourly Employees

	Hourly	Biweekly Payroll
6 men		
4 men		
2 men		
3 men		
4 men	Hourly	\$27,020
1 men	Salaried	\$21,111
4 men	Total	\$48,131
2 men		
26 men		

## TOTAL SMT & OMS INCOME

Supp.	Volume	\$/lb	Income
NPG	0	0.10	\$0
SPXC	40,000	0.10	4,000
MED	160,000	0.00	0
MED	100,000	0.10	10,000
Other	71,500	0.20	14,300
Total	371,500		\$28,300
Other OMS Income			15,500
Total Other Income			\$43,800

NET PROFIT BEFORE TAX \$ 16,988  
% OF SALES 7.50%

# REMACOR INCOME FORECAST

JUNE 2005 FINISHED GOODS VALUATION AT PRODUCTION OF 5 TRUCKS

	MONTHLY FORECAST	COST / LB MAT.	TOTAL COST	TOTAL \$/LB MAT
RAW MATERIALS				
MAGTRADE OMS PRIME	0	\$0.230	\$0	
ARINCO	0	\$0.910	0	
SPARTAN OMS PRIME	0	\$0.379	0	
LUNT	0	\$0.350	0	
AMACOR	70,000	\$0.363	25,410	
SMT PRODUCTION	196,264	\$0.029	5,692	
TOTAL LBS MAT REQUIRED	266,264		\$31,102	\$0.145
LBS MG GRANULES SOLD	215,000	— (Almamet + Ross + Hart )		

## TOTAL SALES

		Customer	SP	Lbs Sold	tk	Sales
SELLING PRICE PER LB MATERIAL	\$0.624	Almamet	0.610	176,000	4	107,360
DIRECT COST PER LB MATERIAL	\$0.662	Ross	0.750	-	0	0
		Briquettes	0.250	80,000	2	20,000
		Amacor A	0.750	5,000	0	3,750
		Amacor B	0.300	20,000	1	6,000
REVENUES		ESM	0.700	0	-	-
SALES	\$ 155,830	Hart	0.480	39,000	1	18,720
OTHER INCOME	\$43,800	TOTALS		320,000	8	\$155,830
TOTAL REVENUES	\$ 199,630					

## COST OF SALES

RAW MATERIALS	\$31,102
DIRECT LABOR - SMT	14,117
DIRECT LABOR - OMS	9,411
DIRECT LABOR - SCREENING	4,706
DIRECT LABOR - GRINDING	7,058
DIRECT LABOR - GENERAL	9,411
VACATION PAY	2,353
MAINTENANCE LABOR	11,487
BRIQUETTING LABOR	0
OTHER BRIQ. EXPENSE @ \$0.0476 / LB	0
WATER BILL	1,500
DETERGENT	3,600
GASOLINE & FUEL OIL	3,000
REPAIR PARTS	4,000
ARGON & NITROGEN	4,000
SHOP SUPPLIES	3,000
POWER BILL	16,000
WASTE WATER DISPOSAL	8,000
OTHER	5,000
WASTE DISPOSAL	2,500
PACKAGING	2,130
TOTAL COST OF SALES	\$ 142,375
FIXED SHOP OVERHEAD	21,252
GENERAL & ADMINISTRATIVE	45,855
TOTAL COST	209,482

## Hourly Employees

	Hourly	Biweekly Payroll
6 men		
4 men		
2 men		
3 men		
4 men	Hourly	\$27,020
1 men	Salaried	\$21,111
4 men	Total	\$48,131
2 men		
26 men		

## TOTAL SMT & OMS INCOME

Supp.	Volume	\$/lb	Income
NPG	0	0.10	\$0
SPXC	40,000	0.10	4,000
MED	160,000	0.00	0
MED	100,000	0.10	10,000
Other	71,500	0.20	14,300
Total	371,500		\$28,300
Other OMS Income			15,500
Total Other Income			\$43,800

NET PROFIT BEFORE TAX	\$ (9,852)
% OF SALES	-4.94%

# REMACOR INCOME FORECAST

JUNE 2005 FINISHED GOODS VALUATION AT PRODUCTION OF 4 TRUCKS

	MONTHLY FORECAST	COST / LB MAT.	TOTAL COST	TOTAL \$/LB MAT		
RAW MATERIALS						
MAGTRADE OMS PRIME	0	\$0.230	\$0			
ARINCO	0	\$0.910	0			
SPARTAN OMS PRIME	0	\$0.379	0			
LUNT	0	\$0.350	0			
AMACOR	70,000	\$0.363	25,410			
SMT PRODUCTION	196,264	\$0.029	5,692			
TOTAL LBS MAT REQUIRED	266,264		\$31,102	\$0.182		
LBS MG GRANULES SOLD	171,000	--- (Almamet + Ross + Hart )				
		TOTAL SALES				
		Customer	SP	Lbs Sold	tk	Sales
SELLING PRICE PER LB MATERIAL	\$0.626	Almamet	0.610	132,000	3	80,520
DIRECT COST PER LB MATERIAL	\$0.833	Ross	0.750	-	0	0
		Briquettes	0.250	80,000	2	20,000
		Amacor A	0.750	5,000	0	3,750
		Amacor B	0.300	20,000	1	6,000
REVENUES		ESM	0.700	0	-	-
SALES	\$ 128,990	Hart	0.480	39,000	1	18,720
OTHER INCOME	\$43,800	TOTALS		276,000	7	\$128,990
TOTAL REVENUES	\$ 172,790					
COST OF SALES		Hourly Employees				
RAW MATERIALS	\$31,102					
DIRECT LABOR - SMT	14,117	6 men				
DIRECT LABOR - OMS	9,411	4 men				
DIRECT LABOR - SCREENING	4,706	2 men				
DIRECT LABOR - GRINDING	7,058	3 men				
DIRECT LABOR - GENERAL	9,411	4 men				
VACATION PAY	2,353	1 men				
MAINTENANCE LABOR	11,487	4 men				
BRIQUETTING LABOR	0	2 men				
OTHER BRIQ. EXPENSE @ \$0.0476 / LB	0	26 men				
WATER BILL	1,500					
DETERGENT	3,600					
GASOLINE & FUEL OIL	3,000					
REPAIR PARTS	4,000					
ARGON & NITROGEN	4,000					
SHOP SUPPLIES	3,000					
POWER BILL	16,000					
WASTE WATER DISPOSAL	8,000					
OTHER	5,000					
WASTE DISPOSAL	2,500					
PACKAGING	2,130					
TOTAL COST OF SALES	\$ 142,375					
FIXED SHOP OVERHEAD	21,252					
GENERAL & ADMINISTRATIVE	45,855					
TOTAL COST	209,482					
NET PROFIT BEFORE TAX	\$ (36,692)					
% OF SALES	-21.24%					
		TOTAL SMT & OMS INCOME				
		Supp.	Volume	\$/lb	Income	
		NPG	0	0.10	\$0	
		SPXC	40,000	0.10	4,000	
		MED	160,000	0.00	0	
		MED	100,000	0.10	10,000	
		Other	71,500	0.20	14,300	
		Total	371,500		\$28,300	
		Other OMS Income			15,500	
		Total Other Income			\$43,800	

# REMACOR INCOME FORECAST

JUNE 2005 FINISHED GOODS VALUATION AT PRODUCTION OF 3 TRUCKS

	MONTHLY FORECAST	COST / LB MAT.	TOTAL COST	TOTAL \$/LB MAT
RAW MATERIALS				
MAGTRADE OMS PRIME	0	\$0.230	\$0	
ARINCO	0	\$0.910	0	
SPARTAN OMS PRIME	0	\$0.379	0	
LUNT	0	\$0.350	0	
AMACOR	70,000	\$0.363	25,410	
SMT PRODUCTION	196,264	\$0.029	5,692	
<b>TOTAL LBS MAT REQUIRED</b>	<b>266,264</b>		<b>\$31,102</b>	<b>\$0.245</b>
<b>LBS MG GRANULES SOLD</b>	<b>127,000</b>	<b>--- (Almamet + Ross + Hart )</b>		

## TOTAL SALES

		Customer	SP	Lbs Sold	tk	Sales
SELLING PRICE PER LB MATERIAL	\$0.629	Almamet	0.610	88,000	2	53,680
DIRECT COST PER LB MATERIAL	\$1.121	Ross	0.750	-	0	0
		Briquettes	0.250	80,000	2	20,000
		Amacor A	0.750	5,000	0	3,750
		Amacor B	0.300	20,000	1	6,000
		ESM	0.700	0	-	-
		Hart	0.480	39,000	1	18,720
		<b>TOTALS</b>		<b>232,000</b>	<b>6</b>	<b>\$102,150</b>
REVENUES						
SALES	\$ 102,150					
OTHER INCOME	\$43,800					
<b>TOTAL REVENUES</b>	<b>\$ 145,950</b>					

## COST OF SALES

RAW MATERIALS	\$31,102	<b>Hourly Employees</b>			
DIRECT LABOR - SMT	14,117	6	men		
DIRECT LABOR - OMS	9,411	4	men		
DIRECT LABOR - SCREENING	4,706	2	men		
DIRECT LABOR - GRINDING	7,058	3	men		
DIRECT LABOR - GENERAL	9,411	4	men		
VACATION PAY	2,353	1	men	Hourly	\$27,020
MAINTENANCE LABOR	11,487	4	men	Salaried	\$21,111
BRIQUETTING LABOR	0	2	men	Total	\$48,131
OTHER BRIQ. EXPENSE @ \$0.0476 / LB	0	26	men		
WATER BILL	1,500				
DETERGENT	3,600				
GASOLINE & FUEL OIL	3,000				
REPAIR PARTS	4,000				
ARGON & NITROGEN	4,000				
SHOP SUPPLIES	3,000				
POWER BILL	16,000				
WASTE WATER DISPOSAL	8,000	0			
OTHER	5,000				
WASTE DISPOSAL	2,500				
PACKAGING	2,130				
<b>TOTAL COST OF SALES</b>	<b>\$ 142,375</b>				
FIXED SHOP OVERHEAD	21,252				
GENERAL & ADMINISTRATIVE	45,855				
<b>TOTAL COST</b>	<b>209,482</b>				

## TOTAL SMT & OMS INCOME

Supp.	Volume	\$/lb	Income
NPG	0	0.10	\$0
SPXC	40,000	0.10	4,000
MED	160,000	0.00	0
MED	100,000	0.10	10,000
Other	71,500	0.20	14,300
Total	371,500		\$28,300
Other OMS Income			15,500
Total Other Income			\$43,800

NET PROFIT BEFORE TAX **\$ (63,532)**  
% OF SALES -43.53%

**REMACOR, INC.**  
**SMT AND OMS MONTHLY RAW MATERIAL COST**

**INVENTORY VALUATION**

<u>TYPE</u>	<u>SUPPLIER</u>	<u>WT. (LBS)</u>	<u>COST / LB</u>	<u>FREIGHT</u>	<u>TOTAL COST</u>	<u>COST / LB</u>
SMT - WET	MERIDIAN	100,000	\$0.000	0	0	\$0.000
SMT - WET	CONTECH	40,000	\$0.000	0	0	\$0.000
SMT - WET	SPARTAN	5,000	\$0.000	743	743	\$0.149
SMT - WET	MEL	5,000	\$0.000	0	0	\$0.000
SMT - WET	DIEMAKERS	8,000	\$0.000	0	0	\$0.000
SMT - WET	OTHERS	55,000	\$0.000	-	-	\$0.000
<b>SMT WET TOTAL</b>		<b>213,000</b>			<b>\$ 743</b>	<b>\$0.003</b>

OMS - PRIME	AMACOR	70,000	\$0.320	\$ 1,500	\$ 23,900	\$0.341
OMS - PRIME	METAL EXCH.	0	\$0.450	0	0	#DIV/0!
OMS - PRIME	GARFIELD	0	\$0.170	0	0	#DIV/0!
OMS - PRIME	MAGTRADE	-	\$0.230	0	-	#DIV/0!
OMS - PRIME	<b>TOTAL</b>	<b>70,000</b>			<b>\$ 23,900</b>	<b>\$0.341</b>

OMS	DIEMAKERS	20,000	\$0.000	0	0	\$0.000
OMS	MERIDIAN - S	80,000	\$0.000	0	0	\$0.000
OMS	MERIDIAN - E	80,000	\$0.000	0	0	\$0.000
OMS	CENT. MACH.	39,700	\$0.050	1,105	3,090	
OMS	PROD. TECH.	10,000	\$0.000	0	0	\$0.000
OMS	SPARTAN	26,000	\$0.000	1,931	1,931	\$0.074
LANDFILL SOLIDS		127,850	\$75.000		0	\$0.000
	CREDIT	-	25,570	lbs @ 0.50	-	

<b>OMS TOTAL</b>		<b>255,700</b>			<b>\$ 5,021</b>	<b>\$0.020</b>
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SMT - WET	SUB TOTAL	213,000			\$ 743	\$0.003
OMS - PRIME	SUB TOTAL	70,000			23,900	\$0.341
OMS	SUB TOTAL	255,700			5,021	\$0.020
SMT - DRY	ME	0	\$0.450		0	
SMT - DRY	BCI	0	\$0.423		-	

**GRAND TOTAL RAW MATERIAL COST** **\$ 29,664**

**OMS SCREENING BREAKDOWN**

<u>MATERIAL</u>	<u>% WT.</u>	<u>TOTAL</u>	<u>MATERIAL TO BE:</u>
WASTE	0.500	127,850	TO BE LANDFILLED @ \$75/ton
SOLIDS	0.100	25,570	TO BE CRUSHED OR SOLD
WASH FEED	0.400	102,280	FEED FOR WASH
<b>TOTAL OMS PROCESSED</b>		<b>255,700</b>	

**WASH SYSTEM FEED**

<u>TYPE MAT.</u>	<u>LBS FED</u>	<u>% YIELD</u>	<u>PRODUCTION</u>	<u>COST / LB</u>	<u>% SMT/OMS PROD.</u>
SMT REC'D	213,000	0.55	117,150	\$0.006	
OMS FEED	86,938	0.91	79,114	\$0.063	
<b>TOTAL</b>	<b>299,938</b>	<b>0.65</b>	<b>196,264</b>	<b>\$0.029</b>	

OMS PRIME	70,000	\$0.341		
ME SMT DRY	0	\$0.400	OMS	56.00%
BCI SMT DRY	-	\$0.375	SMT	44.00%
<b>TOTAL MONTHLY PRODUCTION</b>	<b>266,264</b>	<b>\$0.111</b>		<b>100.00%</b>

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